

Statement of Don Shipley, Business Manager, IBEW, Local Union 69, before the U.S. House of Representatives Committee on Commerce, Subcommittee on Energy and Power in Dallas, Texas on May 9, 1997.

Good morning Mister Chairman, Congressmen and Staff.

I would like to thank you for inviting me to speak on the issue of electric industry restructuring. I also would like to welcome you and the distinguished members of your committee to Dallas.

My name is Don Shipley. I am the Business Manager of IBEW, Local Union 69 located here in Dallas, Texas.

The International Brotherhood of Electrical Workers (IBEW) is opposed to federally mandated retail wheeling. We believe any decisions on utility industry restructuring should be made at the State level.

The electric utilities in Texas are currently regulated by the Texas Public Utility Commission. Restructuring the electric utility industry in Texas can best be achieved through action by the Texas Public Utility Commission and the Texas Legislature who are accountable to the citizens of Texas.

The Federal Legislation being considered by your committee speaks to all consumers, large and small, having the right to choose their power supplier.

That sounds good, however the restructuring issue is much more complicated. The issue may well be whether we have safe, reliable and affordable electric power at all.

I am speaking to you from a unique perspective first, as a representative of a Local Union 69, IBEW, and second, as a full-time employee in the electric utility industry.

The IBEW, is an organization that represents some 220,000 utility workers throughout the United States directly employed in the industry, and approximately 25,000 additional employees who provide construction and maintenance services to the industry.

I think we all agree that electricity is an essential service, not merely a commodity.

As I have stated, I believe the issue is not whether we have a choice of power suppliers, it is whether we have a reliable, affordable and safe power supply.

The utility industry's reaction to the debate over restructuring has resulted in the closing of facilities, the lay off of highly-skilled utility employees, and increased reliance on contract labor.

What we now have is less reliable electric service, reduced customer service and a less safe environment for consumers and employees. The cost savings realized by the industry have not

been shared with the customers.

In fact, the problem is so serious there is legislation currently pending before the Texas Legislature which would establish minimum requirements for safe, reliable electric service.

The cost of electricity in Texas is now among the lowest in the nation. Rapid, radical deregulation is likely to increase those costs as large users from states with higher electric rates bid up the cost of electric power in Texas. The net result will be that Texas consumers will have to pay more for less reliable and less safe electric service.

I have attempted to address only a few of the issues involved in the electric utility industry restructuring debate. I would like to leave you with this thought.

Consumers have suffered a reduction in the quality and reliability of electrical service, imposed on them by an industry only concerned with the prospect of restructuring.

Consumers did not have a choice in the matter. One can only imagine the extent to which consumers will suffer under a rapidly and radically deregulated electric utility industry as money hungry corporations abandon their local customers in the quest for increased profits.

Utility companies have already proven that increased profits are more important than safe, reliable and affordable electric service.